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## EXTRAORDINARY

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## PART V

### Bills introduced in the Gujarat Legislative Assembly

The Following Bill which was introduced on the 13th March, 2026 by Shri Imran Khedawala, M.L.A. is published under rule 127-A of the Gujarat Legislative Assembly Rules for general information.

**THE GUJARAT STATE EMPLOYMENT OF LOCAL CANDIDATES Bill, 2026.**

**GUJARAT BILL NO. 12 OF 2026.**

***A BILL***

*to provide eighty five percent employment of local candidates by employer in the State of Gujarat and for matters connected therewith and incidental thereto,*

Be it enacted by the Legislature of the State of Gujarat in the Seventy-seventh year of the Republic of India as follows:-

**Short title, extent, commencement, cessation and application.**

**1.** (1) This act may be called the Gujarat State Employment of Local Candidates Act, 2026.

(2) It extends to the whole of the State of Gujarat.

(3) It shall come into force on such date, as the Government may, by notification in the *Official Gazette*, specify.

(4) It shall cease to have effect on the expiry of ten years from the date of its commencement, except as respect to the things to be done or omitted to be done before such cesser, and upon such cesser section 6 of the General clauses Act, 1897 (Central Act No. 10 of 1897), shall apply as if this Act had then been repealed by a Central or State Act, as the case may be.

(5) This Act applies to all the Companies, Societies, Trusts, Limited Liability Partnership Firms, Partnership Firm and any person employing ten or more persons and an entity, as may be notified by the Government, from time to time.

**Definitions.** **2.** In this Act, unless the context otherwise requires -

(a) "Appellate Authority" means an officer of the Government not below the rank or equivalence of the Labour Commissioner, as may be designated by notification in Official Gazette, by the Government for the purpose of section 9;

(b) "Authorised Officer" means an officer of the Government not below the rank or equivalence of the Sub-Divisional Officer (Civil) or any other officer as may be designated as such by notification in Official Gazette, by the Government for the Purpose of Section 7;

(c) "Designated Officer" means, an officer of Government not below the rank or equivalence of the Deputy Commissioner as may be designated by notification in Offical Gazette, by the Government for the purpose of section 5;

(d) "Designated portal" means a portal specifically designed and designated for the purpose of registration of local candidates and employees under sections 3 and 4;

(e) "employer" means a Company registered under the Companies Act, 2013 (Central Act No. 18 of 2013) or a Limited Liability Partnership firm as defined under the limited liability partnership Act, 2008 (Central Act No. 6 of 2009) or a Society or a Trust as defined under the Indian Trust Act, 1882 (Central Act No.2 of 1882) or a Partnership Firm as defined under Indian Partnership Act, 1932 (Central Act No. 9 of 1932) or any person employing ten or more persons on salary, wages or other remuneration for the purpose of manufacturing or providing any service or such entity, as may be notified by the Government from time to time, but shall not include the Central Government or any organisation owned by the Central Government or the State Government;

(f) "Government" means the Government of the State of Gujarat in the administrative department;

(g) "Local Candidate" means a candidate who is domiciled in the State of Gujarat;

(h) "State" means the State of Gujarat.

**Compulsory registration.** **3.** On and from the date of commencement of this Act, every employer shall, register such employees receiving gross monthly salary or wages not more than fifty thousand rupees or as notified by the Government, from time to time, on the designated portal, within three months of coming into force of this Act;

Provided that no person shall be employed or engaged by any employer till the registration of all such employees is completed on the designated portal.

***Explanation.-*** For the purpose of section 3 and section 4 of this Act, process for registration on designated portal shall be prescribed under the rules notified by the Government, from time to time.

**Recruitment of local candidates.** **4.** After the commencement of this Act, every employer shall employ eighty five percent of the local candidates with respect to such posts where the gross monthly salary or wages are not more than fisfty thousand rupees or as notified by the Government, from time to time.

Provided that the local candidates may be from any district of the State, but the employer may, at his option, restrict the employment of local candidates from any district to ten percent of the total number of local candidates:

Provided further that no local candidate shall be eligible to avail the benefits under this Act unless he registers himself on the designated portal.

**Exemption.** **5.** (1) The employer may claim exemption from the requirement of section 4, where adequate number of local candidates of the desired skill, qualification or proficiency are not available by applying to the Designated Officer in such form and in such manner, as may be prescribed.

(2) The Designated Officer shall, after such inquiry, as he deems fit and after evaluating the attempt made by the employer to recruit local candidates of the desired skill, qualification or proficiency, may either-

(i) accept the claim of the employer for exemption from the provisions of section 4; or

(ii) reject the claim of the employer for exemption for reasons to be recorded in writing; or

(iii) direct the employer to train local candidates to achieve the desired skill, qualification or proficiency.

(3) Every order made by the Designated Officer under sub-section (2), shall be placed on the website of the Government.

**Employer to furnish report.**

**6.** Every employer shall furnish a quarterly report, by such date, as may be notified by the Government in the Official Gazette, of the local candidates employed and appointed during the quarter on the designated portal in such form, as may be prescribed.

**Power to access verify records and documents.**

**7.** (1) The reports furnished by the employer under section 6 shall be examined by the Authorised Officer.

(2) The Authorised Officer shall have powers to call for any record, information or document in the possession of any employer for the purposes of verifying the report furnished under section 6.

(3) The Authorised Officer after examination of the report, may pass any order, as may be necessary for complying with the objectives of this Act.

(4) Every such order issued under sub-section (3) shall be placed on the website of Government.

**Power to enter premises and inspection thereof.**

**8.** (1) Subject to the provisions of this section, the Authorised Officer shall have a right to enter, at all reasonable times with such assistance, as he considers necessary, any place-

(a) for the purpose of performing any of the functions entrusted to him under this Act;

(b) for the purpose of determining whether and if so in what manner, any such functions are to be performed or whether any provisions of this Act or the rules made thereunder are being or have been complied with;

(2) Every employer shall render all assistance to the Authorised Officer under sub-section (1) and in case he fails to do so without any reasonable cause, he shall be guilty of an offence under this Act.

(3) If any person wilfully delays or obstructs the Authorised Officer under sub-section (1) in the performance of his functions, he shall be guilty of an offence under this Act.

Provided that no entry shall be made except between the hours of 6:00 to 18:00 and notice of the intention to enter is given at least one day prior to the date on which the entry is proposed to be made.

**Appeal.**

**9.** (1) Any employer aggrieved by an order passed by the Designated Officer under section 5 or the Authorised Officer under section 7, may within sixty days, prefer an appeal to such Appellate Authority, in such form and in such manner, as may be prescribed.

(2) Every appeal preferred under sub-section (1) shall be accompanied by such fees, as may be prescribed.

(3) After the receipt of appeal under sub-section (1), the Appellate Authority shall, after giving the appellant an opportunity of being heard, dispose of the appeal as expeditiously as possible.

(4) The appellate authority may rescind, confirm or modify such order.

(5) The appellate authority shall follow such procedure, as may be prescribed.

**General Penalty.**

**10.** Save as otherwise expressly provided in this Act, if there is any contravention by the employer of the provisions of this Act or rules made thereunder or of any order in writing given under this Act, he shall be liable to a penalty which shall not be less than ten thousand rupees, but which may extend up to fifty thousand rupees, and if the contravention is still continued after the conviction, then, with further penalty which may extend to one hundred rupees for each day till the time contravention is so continued.

**Penalty for contravention of section 3.**

**11.** Save as otherwise expressly provided in this Act, if any employer contravenes the provisions of section 3 of this Act or of any rules made thereunder or of any order in writing given thereunder, he shall be guilty of an offence punishable with penalty which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees and if the contravention is still continued after conviction, with a further penalty which may extend to five hundred rupees for each day till the time contravention is so continued.

**Penalty for contravention of section 4.**

**12.** Save as otherwise expressly provided in this Act, if any employer contravenes provisions of section 4 or of any rules made thereunder or of any order in writing given thereunder, he shall be guilty of an offence punishable with penalty which shall not be less than fifty thousand rupees but which may extend to two lakh rupees and if the contravention is still continued after conviction, with a further penalty which may extend to one thousand rupees for each day till the time contravention is so continued.

**Penalty for disobey of direction issued under section 5.**

**13.** Save as otherwise expressly provided in this Act, if any employer disobeys any order in writing made by the Designated Officer under section 5, he shall be guilty of an offence punishable with penalty which shall not be less than ten thousand rupees but which may extend to fifty thousand rupees and if the contravention is still continued after conviction, with a further penalty which may extend to one hundred rupees for each day till the time contravention is so continued.

**Penalty for falsification and non-furnishing of records etc.**

**14.** (1) Whoever-

(a) produces false records or counterfeits or knowingly makes or produces or uses a false statement, declaration or evidence regarding any document in connection with compliance of any of the provisions of this Act or any rules made thereunder; or

(b) makes, gives or delivers knowingly a false return, notice, record or report containing a statement, entry or detail, Shall be punishable with penalty which may extend to fifty thousand rupees for each offence.

(2) Where any person convicted of an offence punishable under sub-section (1) is again convicted of an offence under the same provision, he shall be punishable with penalty of Rs 2 lakhs.

**Notice and opportunity to be heard.**

**15.** (1) No order under this Act shall be passed under section 5 or section 7 unless an opportunity of being heard is provided to the employer.

(2) No penalty under this Act shall be imposed unless the person concerned is given a notice in writing by the Designated Officer, informing him of the grounds of penalty which is proposed to be imposed on him and providing him an opportunity to be heard.

**Offence by companies.**

**16.** Where a person committing an offence under this Act is a company, every director, manager, secretary, agent or other officer or person concerned with the management thereof shall, unless he proves that the offence was committed without his knowledge or consent, be deemed to be guilty of such offence.

**Offence by limited liability partnership firm.**

**17.** Where an offence under this Act committed by a limited liability partnership is proved-

(i) to have been committed with the consent or connivance of a partner or partners or designated partner or designated partners of the limited liability partnership; or

(ii) to be attributable to any neglect on the part of the partner or partners or designated partner or designated partners of the limited liability partnership.

the partner or partners or designated partner or designated partners of the limited liability partnership, as the case may be, as well as that limited liability partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

**Offences by societies or trusts.**

**18.** (1) Where an offence under this Act has been committed by a society or trust, every person who at the time the offence was committed was in charge of, and was responsible for the conduct of the business of the society or the trust, as the case may be, shall be deemed to be guilty of the offence and be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a society or trust and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary, trustee or other officer of the society or trust, such director, manager, secretary, trustee or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**Limitation of prosecution and cognizance of offence.**

**19.** (1) No court shall take cognizance of any offence punishable under this Act, unless a complaint in respect thereof is made within six months of the date on which the alleged commission of the offence came to the knowledge of the Authorized Officer or Designated Officer.

(2) No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the First Class shall try any offence punishable under this Act.

**Explanation.-** For the purposes of this section,-

(a) in the case of a continuing offence, the period of limitation shall be computed with reference to every point of time during which the offence continues;

(b) where for the performance of any act, time is granted or extended on an application made by the employer, the period of limitation shall be computed from the date on which the time so granted or extended expired.

**Protection of action taken in good faith.**

**20.** No suit or other legal proceedings shall lie in any Court against any Aurhorized Officer or Designated Officer or against any person or body of persons acting under the order or direction of such Authorized Officer and Designated Officer for anything which is done in good faith, or intended to be done in pursuance of provisions of this Act.

**Power to remove difficulties.**

**21.** If any difficulty arises in giving effect to the provisions of this Act, the Government may, within a period of two years from the commencement of this Act, by an order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it necessary or expedient for removing the difficulty.

**Power to issue directions or orders.**

**22.** The Government may, from time to time, issue directions or order in writing for giving effect to the provisions of this Act.

**Act to have overriding effect.**

**23.** Notwithstanding anything inconsistent therewith contained in any other State law for the time being in force or any instrument having effect by virtue of such law, the provision of this Act have overriding effect.

**Power to make rules.**

**24.** (1) The Government may, by notification, make rules for carrying out all or any of the purposes of this Act.

(2) Every rule made under this Act shall, immediately after it is made, be laid before the Legislature of the State.

## STATEMENT OF OBJECTS AND REASONS

To provide reservation to the local candidates of Gujarat in private employment under various Companies, Trusts, Limited Liability Partnership Firms, Partnership Firms etc. situated in Gujarat for a period of ten years, the Government of Gujarat has proposed a bill named as "The Gujarat State Employment of Local Candidates, Bill, 2026."

The influx of a large number of migrants competing for low-paid jobs places a significant impact on local infrastructure and housing and leads to proliferation of slums. This has led to environmental and health issues which has been acutely felt in the urban areas of Gujarat affecting quality of living and livelihood. Therefore, giving preference to local candidates in low-paid jobs is socially, economically and environmentally desirable and any such preference would be in the interests of the general public.

With the enactment of the present Bill, in the interest of public at large, the State is also going to encourage all the private employers in Gujarat to boost local employment. The Bill will provide tremendous benefits to the private employers directly or indirectly through qualified and trained local work force. Availability of suitable workforce locally would enhance the efficiency of Industry as the workforce in one of the major components for the development of any industrial organization factory.

The Bill seeks to achieve above objectives.

The salient features of the Bill are as follows:-

1. To provide at least 85% of employment to the local candidates in various Companies, Societies, Trusts, Limited Liability Partnerships Firms, Partnership Firms etc. situated in the State of Gujarat.

2. To provide training to eligible local candidates where qualified or suitable candidates are not available.

Hence this Bill.

**Dated the 27th January, 2026** **IMRAN KHEDAWALA,**

**Gandhinagar.** **M.L.A.**

## FINANCIAL MEMORANDUM

It is not possible to give exact of expenditure on implementation in the bill in cases where the State Government may provide for finance.

**Dated the 27th January, 2026** **IMRAN KHEDAWALA,**

**Gandhinagar.** **M.L.A.**

## MEMORANDUM REGARDING DELEGATED LEGISLATION

**Clause 21** and **24** of the proposed Bill empowers the State Government to remove difficulty and to frame rules, respectively for carrying out the purposes of the Act. This delegation of power to the executive is of normal characters.

**Dated the 27th January, 2026** **IMRAN KHEDAWALA,**

**Gandhinagar.** **M.L.A.**

**CHETAN PANDYA,**
**Secretary,**
**Gujarat Legislative Assembly.**

**Dated the 13th March, 2026**
**Gandhinagar.**

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Signature Not Verified
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